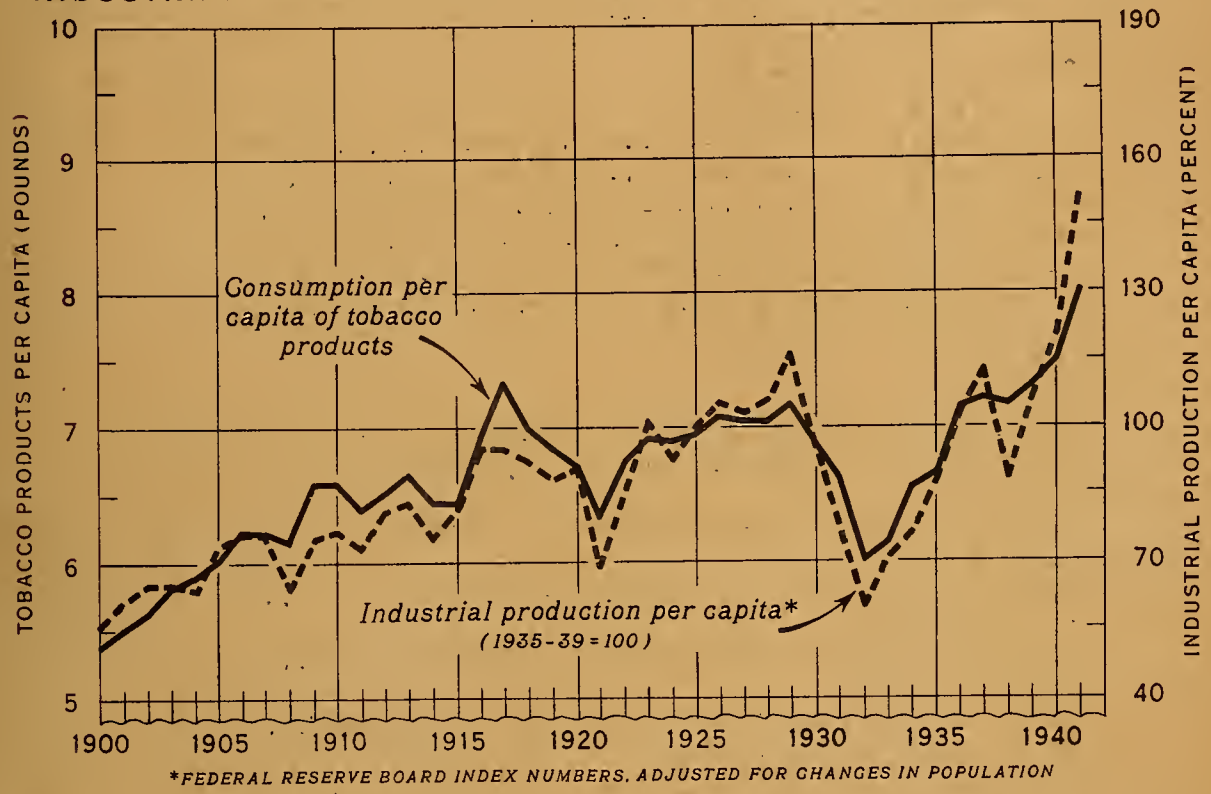
THE Tobacco SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

TS-22 BAE MARCH 1942

CONSUMPTION PER CAPITA OF ALL TOBACCO PRODUCTS, AND INDUSTRIAL PRODUCTION PER CAPITA, UNITED STATES, 1900-1941



*FEDERAL RESERVE BOARD INDEX NUMBERS, ADJUSTED FOR CHANGES IN POPULATION

U. S. DEPARTMENT OF AGRICULTURE NEG. 24111 BUREAU OF AGRICULTURAL ECONOMICS

THE YEAR TO YEAR VARIATIONS IN PER CAPITA CONSUMPTION OF TOBACCO PRODUCTS ARE RATHER CLOSELY RELATED TO CHANGES IN BUSINESS ACTIVITY. DURING PERIODS OF REDUCED INDUSTRIAL PRODUCTION AND EMPLOYMENT THERE HAVE BEEN SHIFTS FROM MORE EXPENSIVE TO LESS EXPENSIVE PRODUCTS, AS WELL AS A DECREASE IN THE TOTAL QUANTITY CONSUMED PER PERSON. DURING PERIODS OF INCREASED INDUSTRIAL PRODUCTION AND EMPLOYMENT THE SHIFT IS TO MORE EXPENSIVE PRODUCTS AND PER CAPITA CONSUMPTION INCREASES. BOTH CONSUMPTION AND INDUSTRIAL PRODUCTION, ON A PER CAPITA BASIS, ESTABLISHED NEW HIGH RECORDS IN 1941, AND THE OUTLOOK IS FOR EVEN HIGHER LEVELS IN 1942.

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Summary

The general demand situation for most types of tobacco continues to improve, reflecting increased industrial activity and higher consumer incomes which are expected to result in increased domestic consumption of most tobacco products. Some improvement in the export situation also may take place.

Growers of flue-cured, burley, fire-cured, and dark air-cured are expected to plant acreages about equal to their 1942 allotments. Intended plantings of Maryland tobacco are the same as the harvested acreage last season according to the March 1 crop report, whereas a decline is indicated for cigar tobaccos.

It now appears that the 1942 supplies of flue-cured, burley, and Maryland tobacco will be ample even with expected increases in the consumption of cigarettes and chewing tobacco and some improvement in exports. prospective supplies of fire-cured tobacco are more than adequate as a result of the virtual cessation of fire-cured exports, and in spite of a probable increase in the domestic consumption of snuff. The supply of dark air-cured, while large, is not considered excessive inasmuch as consumption of chewing tobacco is likely to remain at or increase somewhat over the present level.

The outlook is for a continued increase in domestic consumption of most tobacco products. During the fiscal year ending June 1942 consumption may total 225 billion cigarettes and 6 billion cigars, compared with 190 billion cigarettes and 5.7 billion cigars in the preceding year. The consumption of

snuff in 1941-42 seems likely to be larger than a year earlier, when tax-paid withdrawals totaled 38 million pounds. Consumption of chewing tobacco continues to increase but at a reduced rate.

The 1941-42 tobacco marketing season is nearly ended and prices have been generally favorable. Rapid selling shortened the sales season for all types. All flue-cured, burley, Maryland, and dark air-cured markets have closed, sales on markets for Kentucky and Tennessee fire-cured (types 22 and 23) are nearing completion, and a large part of the cigar-leaf crop has been sold. Preliminary estimates of prices received by farmers are 27.8 cents for flue-cured; 29.3 cents for burley; 33 cents for Maryland (1940 crop); about 12.1 cents for dark air-cured; and to date about 14 cents for fire-cured. These represent sharp increases over the preceding season. Returns to flue-cured growers totaled 180 million dollars for the 1941 crop compared with 124 million for the 1940 crop; and returns to burley growers this year were 100 million dollars compared with 61 million dollars for the 1940 crop. Returns to growers of Maryland tobacco totaled 10.8 million dollars; returns to fire-cured growers will approximate 10.5 million dollars; dark air-cured, 4 million dollars; and to cigar-leaf growers about 25 million dollars. Total returns to tobacco growers for the entire 1941 crop (1940 Maryland crop) will be about 330 million dollars, the largest since 1919.

-- March 30, 1942

FLUE-CURED, TYPES 11-14

Full Planting of 1942 Acreage Allotments Expected

High prices received for the 1941 flue-cured tobacco crop, together with increased domestic consumption and some prospect for increased exports - largely lend-lease - are expected to encourage flue-cured growers to plant their full allotments, which for the belt as a whole total 843,300 acres. Growers' intentions as of March 1 were to plant 819,300 acres of flue-cured, or to underplant allotments by 2.8 percent according to the Crop Reporting Board. Growers ordinarily have not exceeded allotments. Overplanting of

allotments results in a penalty of 10 cents per pound on sales of tobacco grown on the excess acreage, and the loss of certain Agricultural Adjustment Administration payments.

Within the last decade yields have tended upward as the result of the use of more productive land, heavier applications of fertilizer, and more intensive cultivation. It is also possible that the availability of more exact figures on acreage in recent years has accentuated this apparent increase in yields. In some years favorable weather also has been an important factor contributing to higher yields. If the national normal yield for the marketing quota of 885 pounds should be obtained, the crop on the allotted acreage would be about 746 million pounds, or about 95 million pounds above the crop of 1941 and about equal to the estimated 1941 disappearance (domestic consumption plus exports). 1/ If the high 1940 yield of 1,024 pounds should be obtained the crop would be 864 million pounds, or about 213 million pounds above the crop of 1941 and more than 100 million pounds above the estimated disappearance in 1941. An increase as great as 213 million pounds above the 1941 crop probably would result in a further increase in existing large stocks.

Disappearance (1941) Shows Increase

Indications now are that disappearance in 1941-42 will be about 740 million pounds, - 5 percent above that of 1939-40 and 29 percent above disappearance in 1940-41. This larger disappearance results from increased domestic consumption, and exports which will be substantially higher during 1941-42 than a year earlier when the total was 136 million pounds (export weight).

Domestic consumption of cigarettes continues to increase. For the first 8 months of the fiscal year 1941-42, tax-paid withdrawals reached 144 billion cigarettes - 18.1 percent over the corresponding 8 months of the previous year. If the same percentage increase continues for the remainder of the year, total domestic consumption may total 225 billion cigarettes for the fiscal year ending in June 1942.

Although the predominant use of flue-cured tobacco in the United States is in the manufacture of cigarettes, large quantities are also used in smoking mixtures, especially granulated smoking tobacco. The production of smoking tobacco decreased 7 percent during the first 6 months of the fiscal year 1941-42, - or from 107 million pounds to 99 million pounds. The decrease probably was due in part to a shift from hand-made to machine-made cigarettes, and to prohibition of smoking in many industrial plants. On the other hand production of plug chewing tobacco, in which a considerable amount of flue-cured tobacco is used, increased about 3.6 percent, or from 24,709,000 pounds to 25,588,000 pounds during the first 6 months of the present fiscal year

1/ The national normal yield under marketing quotas for any kind of tobacco (as used in the Agricultural Adjustment Act of 1938 as amended) is determined by weighting the average yield per acre of the respective types of tobacco in the various States during the five years last preceding the year in which the national marketing quota is proclaimed, adjusted for abnormal conditions of production.

over the corresponding 6 months a year earlier. Further increases in tobacco consumption may result from anticipated further rises in industrial production and consumer incomes. (See cover-page chart and also tables 15 and 16).

Estimated Stocks, July 1, 1942, Show Some Decrease

Stocks of flue-cured tobacco on July 1, 1942 are expected to be about 1,503 million pounds, compared with 1,593 million pounds a year earlier. The decrease will result largely from the small 1941 crop and increased domestic consumption. Assuming the national normal yield for the marketing quota in 1942, the decrease in stocks of 90 million pounds may be about offset by an increase of about the same amount in production. In this case the supply for the year 1942-43 will be about 2,250 million pounds, - not far different from the 1941-42 supply of 2,244 million pounds which is the largest on record. (Table 2).

At recent rates of liquidation Commodity Credit Corporation stocks of flue-cured tobacco as of July 1, 1942 may total about 200 million pounds compared with about 354 million pounds on hand a year earlier. On this basis it appears that about 1,300 million pounds will be held by domestic manufacturers and dealers (including exporters) on July 1, 1942. Privately owned stocks of 1,300 million pounds appear large in spite of the increasing consumption of tobacco products. Stocks privately held by dealers (including exporters) on July 1, 1942 are expected to be considerably less than in recent years, indicating some reduction in activity on the part of dealers resulting in large part from curtailed export activities. On July 1, 1941 dealers stocks totaled about 148 million pounds.

Review of 1941 Flue-cured Season 2/

For the first time on record all flue-cured markets were closed by the end of the calendar year 1941. Rapid selling and high prices characterized all these markets. The higher prices reflected a quality highly suitable for cigarette manufacture, higher levels of domestic consumption and an outlook for still further increases, and a smaller crop than was indicated earlier in the season. Another factor contributing to higher prices was the possibility of some increase in exports.

Of the 650-million-pound crop, 629 million pounds of leaf were sold at auction. The season average farm price for the 1941 crop was 27.8 cents and returns to growers totaled more than 180 million dollars. This compares with 124 million dollars for the 1940 crop, and is the highest since 1919 when the value of the crop was 212 million dollars. About 66 percent of the crop was sold over auction floors in North Carolina at a price averaging 29.8 cents; more than 12 percent in Virginia at an average of 31.0 cents; 9 percent in South Carolina at 25.2 cents; 9 percent in Georgia at 20.4 cents; 1 percent in Florida at 21.2 cents; and the remainder, 21 million pounds of scrap tobacco or 3 percent of the crop, was sold outside of market floors at an average of 2.4 cents per pound.

2/ Tobacco Market Review, Class 1 - Flue-cured, March 14, 1942 released by the Agricultural Marketing Service.

Table 1.- Flue-cured tobacco: Production in specified countries, 1935-41

Country	Year beginning July 1/						
	1935	1936	1937	1938	1939	1940 2/	1941 2/
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
British Empire sources:							
Australia	5,557	5,198	5,980	4,149	4,750	5/	
Canada	35,199	24,596	55,374	78,174	79,734	39,144	68,722
Cyprus	506	257	33	10	423	5/	
India 3/	16,400	19,500	40,000	46,000	4/ 36,000	49,000	
Mauritius	---	562	672	222	431	250	
Northern Rhodesia	1,201	1,187	1,996	1,960	3/ 2,000	5/	
Nyasaland	2,109	2,293	2,370	3,071	3,019	3,250	3,523
Southern Rhodesia	20,709	20,344	25,342	22,424	34,459	34,927	
Union of South Africa	2,100	3,200	3,800	4,750	10,000	5/	
Total reporting countries	83,781	77,137	135,567	160,760	170,816	126,571	
Other foreign sources:							
Argentina	---	335	582	1,529	1,224	1,569	
China 3/	163,000	180,000	210,000	81,500	120,000	122,500	85,000
Chosen	7,063	7,640	9,126	10,998	24,365	22,670	31,217
Japan	51,288	48,893	62,172	64,773	84,374	87,181	122,000
Manchuria 3/	5,000	4,950	7,700	14,500	6/ 39,000	40,000	44,000
Netherlands Indies 3/7/	2,000	4,000	3,300	4,000	3,000	1,200	13,000
Taiwan	1,262	1,936	2,885	4,096	8,386	10,398	10,400
Total reporting countries	229,613	247,754	295,765	181,396	280,349	285,518	
United States	811,195	682,850	866,302	785,731	1,159,320	756,563	650,605
Total all reporting countries	1,124,589	1,007,741	1,297,634	1,127,887	1,610,485	1,168,652	

Compiled from official sources, reports of United States consuls, commercial attaches, agricultural attaches, and commodity specialists in foreign countries.

1/ The year beginning July includes the harvesting season in both Northern and Southern Hemispheres. In Northern Hemisphere, data for 1935, for example, are for crops harvested in summer and fall of 1935; in Southern Hemisphere they are for crops harvested in spring of 1936. For many countries bordering on the Equator, harvest started late in 1935 and was completed in early months of 1936. 2/ Preliminary. Data for earlier years may be revised on basis of later information. 3/ Estimated. 4/ The low 1939-40 crop resulted from unfavorable weather, parasites, and diseases, which destroyed much of the area set. 5/ Data not available at time of publication; totals are exclusive of these countries. 6/ Of this amount, a portion was produced from flue-cured seed but was sun-cured. 7/ Grown in Java.

The crop was sold on 75 markets, 26 of which were designated by the Secretary of Agriculture for the inspection and market news service of the Agricultural Marketing Service. During the 1940-41 season, only 14 markets were designated for this service. The Agricultural Marketing Administration will hold a referendum during the latter part of May to determine whether the flue-cured growers favor inspection and market news service on the 49 markets not covered at present.

Table 2.- Flue-cured tobacco: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1940, 1941 and indications for 1942 1/

Item	Average 1934-38	1940	1941 2/	Based on allotted acreage, specified yields, and probable stocks 3/			
				1942 4/	1942 5/	1942 6/	1942 7/
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Flue-cured, types 11-14 :							
Production	740.6	756.6	650.6	666.2	737.0	746.3	863.5
Stocks (July 1)	844.9	1,409.7	1,592.9	1,503.0	1,503.0	1,503.0	1,503.0
Supply	1,585.5	2,166.3	2,243.5	2,169.2	2,240.0	2,249.3	2,366.5
Disappearance	703.9	573.4	740.5				
Price (cents)	22.9	16.4	27.8				

1/ Farm-sales-weight equivalent.
2/ Preliminary. Disappearance estimated.
3/ Under marketing quotas the total 1942 flue-cured acreage allotment is 843,300 acres.
4/ Production based on a low yield of 790 pounds obtained in 1936.
5/ Based on 1935-39 average yield of 874 pounds.
6/ Based on national normal yield for marketing quota of 885 pounds.
7/ Based on high 1940 yield of 1,024 pounds.

BURLEY, TYPE 31

Acreage Allotments (1942) Expected to be Planted

It is expected that most farmers will plant practically their full 1942 acreage allotment and that the total burley acreage will approach the national allotment of 383,000 acres. The indicated acreage as of March 1, however, is 369,400 acres, an underplanting of 3.6 percent. As pointed out in the case of flue-cured tobacco, there is a penalty of 10 cents per pound on sales of tobacco grown on acreages other than allotments and the loss of certain Agricultural Adjustment Administration payments. On the other hand, the high prices received for the 1941 crop and the present and prospective high levels of domestic consumption tend to discourage underplanting.

If the yield obtained this season should equal the national normal yield for the marketing quota of 865 pounds and if the full acreage allotment should be planted the 1942 production would total 331 million pounds compared with a crop in 1941 indicated by sales date to be about 340 million pounds, and a 1937-41 average of about 370 million pounds.

Disappearance (1941) Expected to Show Increase over 1940

It is tentatively estimated that disappearance during the present year ending September 1942 will total about 352 million pounds compared with 340 million pounds a year earlier. If the national normal yield for the marketing quota should be obtained in 1942 the resulting crop of about 331 million pounds, would be considerably below the 1941 estimated disappearance and somewhat below disappearance in 1940. However, yields in recent years have been high. With the 1940 yield of 1,042 pounds, the allotted acreage would produce a crop close to 400 million pounds or 48 million pounds more than the estimated disappearance in 1941. The outlook is for a continuation of the present high level of domestic consumption resulting largely from higher income levels. Burley is consumed almost entirely in the United States and is, therefore, little affected by the export situation.

The present situation indicates stocks of burley will be about 786 million pounds as of October 1942, only slightly smaller than the 798 million pounds a year earlier. (Table 3).

Review of 1941 Burley Season 3/

As in the case of flue-cured, the burley crop was sold in record time. Nearly 207 million pounds or about 60 percent of the crop had been sold before markets closed for the Christmas holidays. A few markets were open until February 13 but most of them were closed by January 30.

As in 1940 the Commodity Credit Corporation made loans available to growers through the Cooperative Associations, but association receipts of tobacco to be placed under loan were small since prices paid on the auction floors for all grades far exceeded the 1941 loan rates.

The 1941 burley crop was light in body and especially suitable for cigarette manufacture. The price for the season averaged about 29.3 cents per pound, and with the exception of 1928 and 1936 was the highest price received for any burley crop since 1919 when the average price received by growers was 33.2 cents. Returns to growers for the 1941 crop were about 100 million dollars, - the highest since 1918 when a crop of 312 million pounds brought growers 102 million dollars.

About 75 percent of the 1941 burley crop was sold in Kentucky at an average of 29.2 cents; about 17 percent in Tennessee at 30.7 cents; the remainder, or 8 percent, was sold in the other 6 burley-producing States, at an average of 27.7 cents.

3/ Season Tobacco Market News Report of the Agricultural Marketing Service, February 20, 1942. (Based on information compiled by the United States Department of Agriculture.)

Table 3.- Burley tobacco: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1940, 1941, and indications for 1942 1/

Item	Average 1934-38	1940	1941 2/	Based on allotted acreage, specified yields, and probable stocks 3/			
				1942 4/	1942 5/	1942 6/	1942 7/
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Burley, type 31-							
Production	286.9	376.0	340.0	278.4	321.0	331.3	399.1
Stocks (Oct. 1)	700.9	762.3	798.1	786.0	786.0	786.0	786.0
Supply	987.8	1,138.3	1,138.1	1,064.4	1,107.0	1,117.3	1,185.1
Disappearance	314.2	340.2	352.1				
Price (cents)	22.2	16.2	29.3				

1/ Farm-sales-weight equivalent.
2/ Preliminary. Production and price indicated by sales data; disappearance estimated.
3/ Under marketing quotas the total 1942 burley acreage allotment is 383,000 acres.
4/ Production based on low 1936 yield of 727 pounds.
5/ Based on 1935-39 average yield of 838 pounds.
6/ Based on national normal yield for marketing quota of 865 pounds.
7/ Based on high 1940 yield of 1,042 pounds.

MARYLAND, TYPE 32

Indicated Acreage (1942) Same as 1941

The 1942 acreage of Maryland tobacco indicated as of March 1 is 40,300 acres, 4,000 acres less than the recommended goal of 44,300 acres. Assuming a 1935-39 average yield of 769 pounds, the recommended acreage would produce a crop of 34 million pounds, which would be a record Maryland crop. The indicated acreage and a 1935-39 average yield would produce a crop of 31 million pounds, or about the same as the crops grown in 1940 and 1941.

Disappearance, Little or No Change Anticipated

Disappearance of Maryland tobacco during 1942 is expected to be around 30 million pounds; during 1941 disappearance totaled 30.9 million pounds. No significant change in disappearance appears likely in the year ahead, as it is not probable that any increased use in domestic manufacture will more than offset the practical cessation of exports. Increased domestic disappearance will result principally from increased cigarette consumption. There may also be some increase in the use of lower grades in cigar filler blends.

Since no significant change is expected in disappearance, stocks as of January 1, 1943 are expected to be about the same as on January 1, 1942 or around 45 million pounds.

Fourth Year of Auctions to Open Soon

It is reported that the auction floors for sale of the 1941 southern Maryland crop will open May 5. About three-fourths of the 1940 crop was sold at auction. The balance of the crop was sold on the Baltimore market. 4/

Table 4.- Maryland tobacco: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1940, 1941, and indications for 1942 1/

Item	Average 1934-38	1940	1941 2/	Based on recommended acreage, specified yields, and probable stocks 3/ 1942 4/	1942 5/	1942 6/
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Maryland, type 32:						
Production	27.5	32.6	29.8	28.8	34.1	37.7
Stocks 7/	38.4	43.2	45.0	45.0	45.0	45.0
Supply	65.9	75.8	74.8	73.8	79.1	82.7
Disappearance 7/	27.5	30.9	29.8			
Price (cents)	19.7	33.0	---			

1/ Farm-sales-weight equivalent.
2/ Preliminary. Disappearance estimated.
3/ The recommended 1942 acreage goal for Maryland tobacco is 44,300 acres.
4/ Production based on a low yield of 650 pounds obtained in 1937.
5/ Based on 1935-39 average yield of 769 pounds.
6/ Based on high 1940 yield of 850 pounds.
7/ January 1 of year following production, and disappearance beginning January 1 of year following production.

FIRE-CURED, TYPES 21-24

Acreage Allotment (1942) Same as in 1941

The 1942 acreage allotment for fire-cured tobacco is 84,800 acres, the same as the 1941 allotment. In 1941, the acreage harvested was slightly under the allotment. According to the Crop Reporting Board, the indicated fire-cured acreage as of March 1, 1942 is 87,100 acres or 2.7 percent above the allotment.

If a yield equal to the 1941 record of 904 pounds is obtained a crop of about 77 million pounds would be grown on the allotted acreage. Based on the national normal yield for the marketing quota (851 pounds) the crop on the allotted acreage would be about 72 million pounds.

4/ For summary of the 1941 selling season (sale of 194$_0$ crop) see TOBACCO SITUATION, TS-21, January 1942, p. 12.

Disappearance Prospects Somewhat Unfavorable

Snuff is the principal domestic product manufactured from fire-cured types. During the fiscal year ended June 1941, 38,332,000 pounds were tax-paid for domestic consumption. During the first 8 months of the fiscal year 1941-42, 26,928,000 pounds were tax-paid or an increase of 7.6 percent over the corresponding 8 months a year earlier. Assuming a continued increase of 7.6 percent, domestic consumption would reach 40 million pounds for the fiscal year ending June 30, 1942.

Smaller quantities of fire-cured are used in some kinds of chewing tobacco. For most of these some further increase in consumption is indicated, but this will have little effect on the consumption of fire-cured because of the smaller quantities of this class used in their manufacture.

During the crop year October 1940-September 1941 only 15,887,000 pounds of fire-cured tobacco were exported. If about one third of the Black fat and Dark African exports (which normally consist of about one-third fire-cured), are added, the approximate total would be 17,114,000 pounds, which compares with the 1934-38 average of about 63,883,000 pounds. It is likely that there will be further reductions in exports for these types during the coming year, since continental European countries which normally have been the principal importers are to a large extent no longer accessible.

Increased stocks estimated as of October 1, 1942 to be 190 million pounds and a crop of 72 million pounds will make available a supply of 262 million pounds, the largest since 1937 when the supply was 290 million pounds (table 5). The large prospective supply and decreased exports cause the fire-cured situation to appear relatively unfavorable even though some increase in domestic consumption may continue.

Larger Part of 1941 Crop Sold

Type 21.- The Virginia fire-cured markets which opened December 8 were closed by February 26. A 1941 crop of 11,688,634/pounds is indicated by sales data. The season average price received by growers for this type was 15.6 cents, 6.3 cents above the 1940 price and 4.2 cents higher than the 1934-38 average. Growers received 1,828,000 dollars for the 1941 crop of 11.7 million pounds whereas the larger 1940 crop of 18.7 million pounds brought returns to growers of 1,743,000 dollars. The quality of the 1941 crop showed a general improvement.

Types 22 and 23.- As of March 18, about 32 million pounds of Kentucky and Tennessee fire-cured, type 22, had been sold at an average price of 14.2 cents; and through March 19 more than 11 million pounds of type 23, at 12.1 cents over auction floors. The final season average prices may be slightly below those indicated through March 19 since lower grades usually come on the markets late in the season. However, they still will be above those received in 1940 when they were respectively 10.1 cents and 8.3 cents. Prices received in 1940 were about the same as the 1934-38 averages.

Type 24.- The Henderson Stemming crop currently estimated at 166,000 pounds has been sold at 9.9 cents per pound, compared with 7.1 cents in 1940.

Table 5.- Fire-cured tobacco: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1940, 1941, and indications for 1942 1/

Item	Average 1934-38	1940	1941 2/	Based on allotted acreage, specified yields and probable stocks 3/			
				1942 4/	1942 5/	1942 6/	1942 7/
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Total fire-cured, types 21-24:							
Production	110.0	103.8	74.4	61.9	68.3	72.2	75.3
Stocks (Oct. 1)	194.2	141.6	183.9	190.0	190.0	190.0	190.0
Supply	304.2	245.4	258.3	251.9	258.3	262.2	265.3
Disappearance	122.7	61.5	68.3				
Price (cents)	10.2	9.5	14.1				
Virginia fire-cured, type 21:							
Production	18.3	18.7	11.7				
Stocks (Oct. 1)	30.6	30.6	36.2				
Supply	48.9	49.3	47.9				
Disappearance	20.2	13.1					
Price (cents)	11.4	9.3	15.6				
Clarksville and Hopkinsville, type 22:							
Production	63.1	58.5	43.0				
Stocks (Oct. 1)	125.9	82.4	104.4				
Supply	189.0	140.9	147.4				
Disappearance	72.3	36.5					
Price (cents)	10.8	10.1	14.2				
Paducah, type 23:							
Production	26.1	26.2	19.5				
Stocks (Oct. 1)	34.7	27.9	42.7				
Supply	60.8	54.1	62.2				
Disappearance	26.9	11.3					
Price (cents)	8.2	8.3	12.1				
Henderson Stemming, type 24:							
Production	2.5	.4	.2				
Stocks (Oct. 1)	3.0	.7	.6				
Supply	5.5	1.1	.8				
Disappearance	3.3	.5					
Price (cents)	7.5	7.1	9.9				

1/ Farm-sales-weight equivalent.
2/ Preliminary. Production and price indicated by sales data; disappearance estimated.
3/ Under marketing quotas the total 1942 fire-cured acreage allotment is 84,800 acres. Of this allotment 16,100 acres are allotted to Virginia fire-cured.
4/ Production based on low yield of 730 pounds obtained in 1938.
5/ Based on 1933-39 average yield of 805 pounds.
6/ Based on national normal yield for marketing quota of 851 pounds for all fire-cured. The normal yield for Virginia fire-cured is 858 pounds.
7/ Based on high 1941 yield estimated at 888 pounds.

Returns to growers of the 1941 fire-cured crop of nearly 75 million pounds will approximate 10.5 million dollars - a little more than was received for 104 million-pound crop grown in 1940 when the average price received was 9.5 cents.

It is expected that all fire-cured markets will be closed by the middle of April.

Association Receipts Relatively Small

By March 15 growers' associations had received only about 6 million pounds of the 1941 fire-cured crop under the purchase and loan program of the Commodity Credit Corporation. These comparatively small receipts were a result of the fact that prices paid by manufacturers and dealers were well above loan rates.

Of the 1940 fire-cured crop, the Corporation's activities involved about 35 million pounds (net packed weight) for which about 4 million dollars were disbursed. As of February 28, 1942, about 27 million pounds of the 1940 crop still are held.

All Corporation holdings of 1939 fire-cured tobacco have been liquidated.

DARK AIR-CURED, TYPES 35-37

Some Underplanting Indicated March 1

As of March 1 growers' intentions were toplant 33,800 acres of One Sucker and Green River tobacco, 2,200 acres less than the 36,000 acres allotted for these two types. The recommended acreage goal for Virginia sun-cured is 3,100 acres compared with the March 1 intentions of 3,000 acres.

If the combined national normal yield of 869 pounds for the marketing quota is obtained, the allotted acreage for One Sucker and Green River would grow about a 31-million-pound crop, - about equal to the 1941 estimated disappearance. If a higher yield should be obtained, the crop would again be above disappearance and add to stocks which are already large. The recommended acreage goal for Virginia sun-cured would grow a crop about the same or possibly slightly above the 1941 crop of 2.2 million pounds (table 6). Virginia sun-cured (in reality air-cured) is not an export type and is not included in the marketing quota program.

Disappearance this Season May be Same as Year Earlier

Domestic consumption of chewing tobacco has shown some increase, probably offsetting at least in part export losses during 1941-42. Production of plug chewing tobacco during the 6 months July-December 1941 increased 3.6 percent over the corresponding 6 months in 1940, or from 24,709,000 pounds to 25,588,000 pounds. Production in November and December was considerably lower than in any of the 4 other months of this period but this appears to be a

seasonal trend which has been generally followed during all the years for which data are available. For the same 6 months production of twist totaled 2,896,524 pounds, an increase of only 6,490 pounds over the same months in the preceding year.

Exports of One Sucker and Green River are now practically non-existent. The principal foreign market for One Sucker has been Belgium, and for Green River the United Kingdom. Black fat and Dark African, of which about two thirds is One Sucker, have gone principally to west African ports. For the year ended September 1941 only 3,681,000 pounds of Black fat and Dark African were exported.

Present indications are that the 1942 dark air-cured supply situation will not be materially different from that in 1941. Any marked increase in supply, however, might cause the relatively favorable situation to become unbalanced.

Review of 1941 Dark Air-Cured Markets 5/

One Sucker markets were closed by February 13 and Green River markets by February 20. The Virginia sun-cured market closed February 27. As in all tobacco areas, rapid selling and high prices prevailed. Sales data indicate a One Sucker crop of 15.3 million pounds for which an average price of 11.6 cents per pound was received. The 1940 crop of 21.9 million pounds brought growers an average of 7.5 cents per pound.

Auction sales of Green River indicate a 1941 crop of about 13.5 million pounds for which growers received an average price of 11.7 cents per pound as compared to the 1940 crop of 17.5 million pounds which sold at 7.6 cents per pound.

The small Virginia sun-cured crop of 2.2 million pounds sold at an average price of 18 cents per pound. This is the highest price received for this type since 1921 when the crop sold for an average of 18.2 cents per pound.

All prices receded toward the end of the season when increased proportions of lower qualities came on the markets. Returns to growers of the 1941 dark air-cured crop will approximate 4 million dollars compared with 3 million dollars for the larger 1940 crop.

Commodity Credit Corporation
Activities Less Extensive

Growers' Cooperative Association receipts were small during the 1941-42 season compared with the 1940-41 season, since market prices for all types of tobacco were well above the loan rates of the Commodity Credit Corporation. The associations received 1,592,362 pounds, or about 10 percent of the 1941 One Sucker crop; whereas they received 4,533,301 pounds or about 21 percent of the reported 1940 crop.

5/ From Season Tobacco Market News Report.- Type 35, One Sucker, dated March 5, 1942, and the corresponding report for Type 36, Green River dated March 24, 1942, of the Agricultural Marketing Service; also Virginia Cooperative Crop Reporting Service release dated March 11, 1942.

Table 6.- Dark air-cured tobacco: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1940, 1941, and indications for 1942 1/

Item	Average 1934-38	1940	1941 2/	Based on allotted acreage, specified yields and probable stocks 3/			
				1942 4/	1942 5/	1942 6/	1942 7/
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Total dark air-cured, types 35-37:							
Production	35.2	42.5	31.1	28.1	33.1	---	37.6
Stocks (Oct. 1)	62.8	65.5	74.5	71.4	71.4	---	71.4
Supply	98.0	108.0	105.6	99.5	104.5	---	109.0
Disappearance	38.7	33.5	34.2				
Price (cents)	9.4	7.7	12.1				
One Sucker, type 35:							
Production	16.6	21.9	15.3				
Stocks (Oct. 1)	30.8	31.9	35.7				
Supply	47.4	53.8	51.0				
Disappearance	17.8	18.1					
Price (cents)	8.9	7.5	11.6				
Green River, type 36:							
Production	15.9	17.5	13.6				
Stocks (Oct. 1)	29.3	30.1	35.0				
Supply	45.2	47.6	48.6				
Disappearance	18.3	12.6					
Price (cents)	9.7	7.6	11.7				
Types 35 and 36 (combined):							
Production	32.5	39.4	28.9	25.7	30.5	31.3	34.8
Stocks (Oct. 1)	60.1	62.0	70.7	68.5	68.5	68.5	68.5
Supply	92.6	101.4	99.6	94.2	99.0	99.8	103.3
Disappearance	36.1	30.7	31.1				
Price (cents)	9.2	7.5	11.7				
Virginia sun-cured, type 37:							
Production	2.7	3.1	2.2	2.4	2.6	---	2.8
Stocks (Oct. 1)	2.7	3.5	3.8	2.9	2.9	---	2.9
Supply	5.4	6.6	6.0	5.3	5.5	---	5.7
Disappearance	2.6	2.8	3.1				
Price (cents)	11.5	9.3	18.0				

1/ Farm-sales-weight equivalent. 2/ Preliminary. Production and price indicated by sales data; disappearance estimated. 3/ Under marketing quota the total 1942 acreage allotment for types 35 and 36 combined is 36,000 acres. The recommended acreage goal for Virginia sun-cured, type 37, is 3,100 acres. 4/ Production based on low yields for One Sucker and Green River combined, and for Virginia sun-cured which were respectively 714 pounds (1936) and 780 pounds (1936). 5/ Based on 1935-39 average yields of One Sucker and Green River combined, and Virginia sun-cured of 846 pounds and 844 pounds, respectively. 6/ Based on national normal yield for marketing quota (types 35 and 36) of 869 pounds. 7/ Based on high yields for One Sucker and Green River combined, and Virginia sun-cured of 968 pounds (1941), and 900 pounds (1935), respectively.

Association receipts of Green River through January 24 totaled 1,489,720 pounds or about 12 percent of sales to that date, whereas receipts of the 1940 crop totaled 3,643,955 pounds (net packed weight) or nearly 25 percent of the crop. The Commodity Credit Corporation as of February 28 was holding 4,713,195 pounds (net packed weight) of the 1939 crop of Green River as collateral for loans totaling $473,595, and 2,959,800 pounds of the 1940 crop for loans totaling $275,439. As of the same date One Sucker holdings of the 1940 crop totaled 3,857,416 pounds (net packed weight) held for loans of $427,021.

CIGAR TOBACCOS, TYPES 41-62

March 1 Acreage Intentions (1942) Less than 1941 Acreage and Less than Goals

Growers' acreage intentions as of March 1, 1942 were: for filler, 46,400 acres; binder, 36,700 acres; and for wrapper, 10,200 acres. The recommended goals for these classes of cigar leaf were respectively 48,100 acres, 44,400 acres, and 10,800 acres. For all three classes the prospective acreage is less than the 1941 harvested acreage (table 11).

The 1942 acreage goal of 48,100 acres for filler types would grow a crop somewhere between 54 million and 66 million pounds - the former if a low yield of 1,123 pounds is obtained as was the case in 1937 and the latter if the yield is a high of 1,372 pounds preliminarily reported for the 1941 crop. The 1942 acreage goal for binder of 44,400 acres would grow a binder crop between 56 and 69 million pounds, and the wrapper acreage goal of 10,800 acres would likely produce a crop between 9 and 11 million pounds (table 7).

Consumption Increases Expected to Continue

Increased industrial activity and higher consumer income levels were factors largely responsible for the increased cigar consumption in 1941. During the year ended June 1941, consumption reached 5,708 million - an increase of 3.5 percent over the preceding year. The 8 months July-February (1941-42) showed a consumption of 4,119 million cigars compared with 3,775 million during the same 8 months a year earlier, an increase of 9.1 percent (table 9). Assuming the same percentage increase in consumption for the remaining 4 months of the fiscal year July-June 1941-42, consumption may reach or exceed 6 billion cigars. This would be larger than the consumption indicated by tax-paid withdrawals of cigars in any one fiscal year since 1930-31.

Consumption of scrap chewing tobacco indicated by production data also shows an increase. Production during the 6 months July-December 1941 totaled 22,615,000 pounds compared with 21,778,000 pounds in 1940 and 21,395,000 pounds in 1939. Increases in consumption of scrap chewing tobacco are attributable in part to a substitution of chewing for smoking in certain industries where smoking by workers is prohibited.

Estimated Supply, 1942, About Same as 1941

Based on acreage goals preliminary estimates indicate that the 1942 production of cigar tobaccos will be about equal to or slightly less than

Table 7.- Cigar tobacco: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1940, 1941, and indications for 1942 1/

Item	Average 1934-38	1940	1941 2/	Based on recommended acreage, specified yields, and probable stocks 3/		
				1942 4/	1942 5/	1942 6/
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Filler, types 41-45-						
Production	44.6	68.3	68.2	54.0	58.2	66.0
Stocks (Oct. 1) 7/	159.9	151.0	158.7	159.5	159.5	159.5
Supply	204.5	219.3	226.9	213.5	217.7	225.5
Disappearance	50.0	60.6	67.4			
Price (cents)	10.4	12.0	—			
Binder, types 51-55-						
Production	8/ 41.4	66.5	60.3	55.8	64.7	69.2
Stocks (Oct. 1) 7/	165.1	9/ 134.9	135.0	124.4	124.4	124.4
Supply	206.5	201.4	195.3	180.2	189.1	193.6
Disappearance	60.0	66.4	70.9			
Price (cents)	12.5	14.6	—			
Wrapper, types 61-62-						
Production	8/ 8.4	9.5	9.8	9.2	10.3	11.3
Stocks (Oct. 1) 7/	10.7	12.9	11.7	10.3	10.3	10.3
Supply	19.1	22.4	21.5	19.5	20.6	21.6
Disappearance	8.9	10.7	11.2			
Price (cents)	78.3	75.8	—			
Total cigar leaf supply	430.1	443.1	443.7	413.2	427.4	440.7

1/ Farm-sales-weight equivalent.
2/ Preliminary. Disappearance estimated.
3/ The recommended 1942 acreage goals are: Filler 48,100 acres; binder 44,400 acres; and wrapper 10,800 acres.
4/ Production based on a low filler yield of 1,123 pounds (1937); binder of 1,257 pounds (1938); and wrapper of 851 pounds (1937).
5/ Based on average 1935-39 yield of 1,211 pounds for filler; 1,458 pounds for binder; and 955 pounds for wrapper.
6/ Based on a high filler yield of 1,372 pounds (1941); binder 1,559 pounds (1936); and wrapper 1,046 pounds (1936).
7/ Stocks held on farms not included; stocks for types 45 and 62 are as of July 1.
8/ Including loss after harvest as a result of hurricane and flood in 1938 as follows: Broadleaf (type 51) 3,820,000 pounds; Havana Seed (type 52) 1,547,000 pounds; and Shade (type 61) 588,000 pounds.
9/ The 1940 stocks probably include considerable quantities of old-crop tobacco moved out of farm stocks into dealers' and manufacturers' inventories.

disappearance in 1941. As of March 1 growers indicated acreages less than those harvested in 1941 and below the recommended goals. However, growers at that time were somewhat uncertain about their acreages because labor and materials are important factors to be considered in growing cigar leaf.

Large Part 1941 Crop Now Sold

Most of the 1941 crop of cigar leaf has been sold. Although prices received so far this season for some cigar types have been a little above those received during the previous season, the season average price may differ but little from that in 1940. Prices received for the 1941 crops of Connecticut Valley Broadleaf and Connecticut Valley Havana Seed are about the same as those received for the two previous crops but considerably higher than for earlier years. Wisconsin binder prices are about the same as for the past several years. All filler and wrapper types are selling at averages similar to those of the preceding season. The following season average prices were received for the 1940 crop of cigar tobacco: Type 41, 13.3 cents; type 42-44, 7.7 cents; type 45, 14.9 cents; type 51, 21.0 cents; type 52, 21.7 cents; type 53, 12.0 cents; type 54, 8.5 cents; type 55, 11.7 cents; type 61, 80.0 cents; and type 62, 70.0 cents. The average price received for all cigar leaf of the 1940 crop was 17.4 cents and returns to growers totaled a little more than 25 million dollars; prices and returns for the 1941 crop may be about the same.

Table 8.- Production, stocks, supply, disappearance, and price of filler tobacco, type 46, grown in Puerto Rico, 1935-41 1/

Year beginning July	Production	Stocks Jan. 1, farm-sales weight 2/	Total supply	Disappearance	Price
	Million pounds	Million pounds	Million pounds	Million pounds	Cents
1935	26.0	50.2	76.2	25.0	12.0
1936	35.0	51.2	86.2	29.7	14.0
1937	44.1	56.5	100.6	36.4	11.0
1938	11.7	64.2	75.9	28.5	18.0
1939	28.1	47.4	75.5	27.9	14.0
1940 3/	30.7	47.6	78.3	29.0	
1941 3/		49.3			

Compiled: Production and price from annual reports of the Governor of Puerto Rico; stocks from reports of the Agricultural Marketing Service.
1/ Production data are for the harvesting year beginning July and stocks are as of January 1 in the harvesting year.
2/ Including stocks held by dealers and manufacturers in the United States and on the Island of Puerto Rico. Stocks on the Island were not reported prior to January 1, 1936.
3/ Preliminary.

GENERAL STATISTICAL DATA

Table 9.- Tax-paid withdrawals of tobacco products in the United States, 1939 and 1940, and July-February 1940 and 1941 1/

Products	Year beginning July			July-February 2/		
	1939	1940	Change	1940	1941	Change
	Millions	Millions	Percent	Millions	Millions	Percent
Small cigarettes	177,684	189,747	+ 6.8	122,006	144,049	+18.1
Large cigarettes	3	2	3/-34.0	1	1	3/+26.2
Large cigars	5,515	5,708	+ 3.5	3,775	4,119	+ 9.1
Small cigars	130	152	+16.9	102	96	- 5.9
Snuff 4/	37,770	38,332	+ 1.5	25,024	26,928	+ 7.6
Manufactured tobacco 4/	302,073	305,083	+ 1.0	204,119	195,308	- 4.3

Compiled from monthly mimeographed Stat. No. 11 of Bureau of Internal Revenue, Treasury Department.

1/ Tax-paid withdrawals include products from the Philippine Islands and Puerto Rico.

2/ There were no tax-paid withdrawals of products from the Philippine Islands for February 1942, and tax-paid products from Puerto Rico for February were not available in time for inclusion in this table. Tax-paid products from the Philippine Islands (principally cigars) have been negligible since the beginning of the war, but prior to December 1941, cigars averaged between 10 and 20 million per month. Cigars tax-paid from Puerto Rico since July 1941 have ranged from 24,000 to 292,000 per month.

3/ Based on actual, not rounded, figures.

4/ Thousand pounds.

Table 10.- Production of manufactured tobacco in the United States, 1939 and 1940, and July-December 1940 and 1941

Manufactured tobacco	Year beginning July			July-December		
	1939	1940	Change	1940	1941	Change
	1,000 lb.	1,000 lb.	Percent	1,000 lb.	1,000 lb.	Percent
Smoking	201,791	205,264	+ 1.7	106,990	99,349	- 7.1
Plug	49,951	49,328	- 1.2	24,709	25,588	+ 3.6
Twist	5,640	5,613	- 0.5	2,890	2,897	+ 0.2
Fine-cut	4,425	4,973	+12.4	2,531	2,707	+ 7.0
Scrap chewing	41,979	43,326	+ 3.2	21,778	22,615	+ 3.8

Compiled from monthly Internal Revenue Bulletin, Treasury Department.

Table 11.-
Tobacco acreages in the United States, by types, average 1934-38, annual 1940 and 1941, and 1942 prospective acreage as of March 1

Class and type	Harvested acreage			1942 acreage 2/	
	Average 1934-38	1940	1941 1/	Prospective	Change from 1941
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Percent
Total flue-cured, types 11-14	864.9	739.0	731.9	3/ 819.3	+ 11.9
Old and Middle Belt, type 11	327.1	268.0	274.0	307.0	+ 12.0
Eastern North Carolina, type 12	296.6	245.0	245.0	270.0	+ 10.2
South Carolina, type 13	155.7	141.0	136.0	154.0	+ 13.2
Georgia-Florida, type 14	85.5	85.0	76.9	88.3	+ 14.8
Total fire-cured, types 21-24	135.1	117.5	83.8	3/ 87.1	+ 3.9
Virginia, type 21	23.1	22.4	16.1	17.7	+ 9.9
Ky. and Tenn., type 22	76.7	65.0	45.7	46.5	+ 1.8
Ky. and Tenn., type 23	32.3	29.6	21.6	22.5	+ 4.2
Henderson, type 24	3.0	.5	.4	.4	0.0
Burley, type 31	347.2	360.8	357.4	3/ 369.4	+ 3.4
Maryland, type 32	36.7	38.4	40.3	40.3	0.0
Total dark air-cured, types 35-37	41.9	47.7	35.8	36.8	+ 2.8
One Sucker, type 35	19.8	24.1	18.8	3/ 18.8	0.0
Green River, type 36	18.8	20.0	14.0	3/ 15.0	+ 7.1
Va. sun-cured, type 37	3.3	3.6	3.0	3.0	0.0
Total cigar filler, types 41-45	37.2	51.0	49.7	46.4	- 6.6
Pa. Seedleaf, type 41	21.7	33.4	35.4	34.3	- 3.1
Miami Valley, types 42-44	14.6	16.2	13.3	11.3	- 15.0
Ga. and Fla. sun-grown, type 45	.9	1.4	1.0	.8	- 20.0
Total cigar binder, types 51-55	28.9	43.2	40.8	36.7	- 10.0
Conn. Valley Broadleaf, type 51	7.2	8.0	8.3	7.6	- 8.4
Conn. Valley Havana Seed, type 52	5.4	8.2	8.1	7.9	- 2.5
N.Y. and P a.Havana Seed, type 53	.8	1.5	1.5	1.5	0.0
Southern Wisconsin, type 54	8.9	13.6	11.0	9.4	- 14.5
Northern Wisconsin, type 55	6.6	11.9	11.9	10.3	- 13.4
Total cigar wrapper, types 61-62	8.9	10.3	10.8	10.2	- 5.6
Conn. Valley Shadegrown, type 61	6.3	6.4	6.3	6.6	- 2.9
Ga. and Fla. Shadegrown, type 62	2.6	3.9	4.0	3.6	- 10.0
Total, all types	1,500.8	1,407.9	1,350.5	1,446.2	+ 7.1

1/ Indicated December 1, 1941. 2/ Indicated March 1, 1942. 3/ The 1942 acreage allotments under marketing quotas are as follows: Flue-cured, 843,300 acres; burley, 383,000 acres; fire-cured, 84,800 acres; dark air-cured (types 35 and 36 only), 36,000 acres. The recommended acreage goal for Virginia sun-cured is 3,100 acres; for Maryland, 44,300 acres; cigar filler, 48,100 acres; cigar binder, 44,400 acres; and cigar wrapper, 10,800 acres.

Table 12.- Tobacco: Average yield per acre, by types, in the United States, 1920-41

Year	Flue cured, types 11-14	Burley, type 31	Maryland, type 32	Fire-cured				Dark air-cured			Cigar leaf, types 41-65
				Type 21	Type 22	Type 23	Type 24	Type 35	Type 36	Type 37	
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
Av. 1920-24	639	824	783	731	781	805	855	826	856	726	1,175
1920	678	789	875	780	766	780	820	819	796	755	1,250
1921	587	754	715	611	795	828	855	843	881	579	1,277
1922	630	857	770	811	763	810	893	859	893	770	1,118
1923	722	872	792	795	785	810	880	827	880	775	1,182
1924	580	849	765	660	798	795	825	782	830	750	1,048
Av. 1925-29	698	798	778	761	784	780	783	808	778	784	1,192
1925	689	806	823	751	767	776	775	806	850	795	1,270
1926	699	832	840	793	810	799	896	905	851	802	1,173
1927	750	731	818	800	749	748	646	722	649	821	1,152
1928	660	816	660	703	753	739	750	760	700	692	1,182
1929	691	807	750	760	842	840	850	849	840	810	1,182
Av. 1930-34	731	782	677	720	812	759	787	811	824	660	1,189
1930	756	740	560	615	757	700	745	784	785	585	1,170
1931	684	845	730	765	812	804	800	796	880	650	1,228
1932	605	740	775	640	794	779	775	801	825	545	1,139
1933	797	753	600	760	801	657	740	783	740	720	1,120
1934	814	831	720	820	895	856	875	893	890	800	1,289
Av. 1935-39	874	838	769	810	806	796	829	834	838	844	1,276
1935	928	792	775	870	821	795	840	835	845	900	1,295
1936	790	727	820	770	805	761	730	730	700	780	1,337
1937	875	907	650	790	846	817	850	908	900	785	1,223
1938	861	833	780	710	709	784	875	785	870	780	1,177
1939	916	930	820	910	851	824	850	911	875	975	1,347
1940	1,024	1,042	850	835	900	884	850	907	875	875	1,381
1941 1/	889	983	740	800	941	904	900	963	975	800	1,365

Compiled, 1920-34, from First Annual Report on Tobacco Statistics, Statistical Bulletin No. 58; 1935-38, Annual Report on Tobacco Statistics, 1940; 1939, Annual Report on Tobacco Statistics 1941; 1940 and 1941, General Crop Report of the Agricultural Marketing Service, December 1941.

1/ Indicated December 1.

Table 13.- Stocks of foreign-grown cigar, cigarette and smoking tobacco, by types as reported combining unstemmed and stemmed, owned by dealers and manufacturers in the United States, quarterly, 1938-42

Year and type	Jan. 1	Apr. 1	July 1	Oct. 1
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
Total foreign-grown cigar leaf, type 80:				
1938	9,740	9,947	10,235	10,509
1939	10,418	10,571	11,350	12,577
1940	14,637	16,252	17,194	15,942
1941	15,876	17,241	19,850	19,225
1942	19,301			
Cuba (Havana), type 81:				
1938	6,248	6,266	6,647	6,772
1939	5,987	6,289	6,418	6,633
1940	6,495	6,810	6,942	7,156
1941	7,139	8,140	9,215	9,800
1942	9,536			
Sumatra and Java, type 82:				
1938	1,671	1,404	1,672	2,077
1939	2,247	1,879	2,494	3,021
1940	2,170	1,720	3,016	2,659
1941	2,435	3,362	5,313	5,036
1942	5,913			
Philippine Islands (Manila), type 83:				
1938	1,807	2,263	1,898	1,646
1939	2,181	2,245	2,280	2,913
1940	5,969	7,654	7,164	6,054
1941	6,197	5,712	5,199	4,236
1942	3,255			
Other foreign-grown cigar leaf, type 84:				
1938	14	14	18	14
1939	3	158	158	10
1940	3	68	72	73
1941	105	27	123	153
1942	597			
Total foreign-grown cigarette and smoking tobacco, type 90:				
1938	70,366	92,396	82,603	70,228
1939	86,239	108,128	101,530	92,655
1940	116,574	118,528	112,420	106,257
1941	101,733	98,583	108,802	99,487
1942	90,621			

Compiled from quarterly stocks reports of the Agricultural Marketing Service.

Table 14.- Index numbers of production of tobacco products in the United States, annual 1923-29, and by months both unadjusted and adjusted for seasonal variation, 1940, 1941, and January 1942

(1935-39 = 100)

Year and month	Cigarettes		Cigars		Manufactured tobacco and snuff		Total tobacco products	
	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted
1923	41		141		121		84	
1924	45		135		121		83	
1925	51		131		120		85	
1926	57		132		120		88	
1927	62		132		115		90	
1928	67		129		112		92	
1929	76		131		110		96	
1930	76		118		108		93	
1931	72		106		107		87	
1932	66		89		102		79	
1933	71		86		100		80	
1934	80		91		101		87	
1935	86		93		100		90	
1936	97		101		102		99	
1937	103		104		99		103	
1938	104		100		100		102	
1939	110		103		100		106	
1940								
Jan.	107	106	86	107	90	93	98	103
Feb.	103	109	90	103	96	97	98	106
Mar.	99	107	92	100	97	95	97	103
Apr.	111	119	97	102	98	99	105	111
May	119	117	102	104	101	100	112	110
June	140	127	104	98	101	99	124	115
July	119	106	105	101	101	99	112	103
Aug.	116	110	108	105	97	96	110	106
Sept.	121	112	117	102	108	100	118	108
Oct.	118	120	127	105	115	112	120	115
Nov.	114	119	123	103	105	106	115	113
Dec.	108	121	83	108	89	101	98	114
Year	115		103		100		109	
1941								
Jan.	119	118	90	111	98	101	108	113
Feb.	118	125	96	110	95	96	108	116
Mar.	119	127	100	109	99	97	110	117
Apr.	118	127	111	117	100	101	113	120
May	133	131	108	109	100	100	121	119
June	144	131	113	106	99	97	128	118
July	138	123	111	106	99	97	123	114
Aug.	136	129	113	109	96	96	122	118
Sept.	146	137	120	104	107	99	132	121
Oct.	141	144	135	112	106	104	133	128
Nov.	143	149	137	115	105	106	134	132
Dec.	121	136	107	139	83	95	110	129
Year	131		112		99		120	
1942								
Jan.	146	144	104	129	96	99	126	132

Compiled from monthly Federal Reserve Bulletin.

Table 15. - *Per Capita consumption of tobacco products in the United States 1900-1941*[1]

Calendar year	Large cigars	Small cigarettes	Cigars[2]	Cigarettes[2]	Chewing tobacco[3]	Smoking tobacco[3]	Snuff	Total
	Number	*Number*	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*
1900	72.9	32.2	1.30	.11	2.69	1.07	.21	5.38
1901	76.9	31.7	1.37	.11	2.66	1.15	.22	5.51
1902	82.1	35.8	1.45	.12	2.62	1.21	.23	5.63
1903	84.1	38.7	1.51	.12	2.68	1.27	.24	5.82
1904	83.0	40.0	1.50	.13	2.61	1.40	.25	5.89
1905	84.5	42.5	1.54	.13	2.54	1.55	.26	6.02
1906	86.8	52.1	1.60	.15	2.65	1.57	.27	6.24
1907	83.6	60.3	1.59	.18	2.60	1.59	.26	6.22
1908	78.0	64.5	1.47	.19	2.60	1.62	.28	6.16
1909	77.2	76.9	1.48	.22	2.83	1.72	.33	6.58
1910	76.6	93.6	1.49	.28	2.71	1.76	.34	6.58
1911	77.7	107.7	1.55	.33	2.50	1.70	.31	6.39
1912	77.4	138.7	1.54	.41	2.51	1.72	.33	6.51
1913	79.5	162.5	1.61	.48	2.50	1.70	.34	6.63
1914	74.4	166.5	1.55	.50	2.37	1.71	.31	6.44
1915	70.6	178.4	1.47	.56	2.33	1.75	.32	6.43
1916	75.1	247.3	1.58	.77	2.51	1.71	.34	6.91
1917	79.1	336.4	1.65	1.08	2.60	1.67	.33	7.33
1918	71.1	362.5	1.51	1.14	2.24	1.73	.35	6.97
1919	68.9	425.8	1.48	1.34	2.18	1.51	.33	6.84
1920	79.7	418.4	1.66	1.29	2.05	1.36	.34	6.70
1921	63.9	467.9	1.36	1.42	1.81	1.42	.33	6.34
1922	65.5	486.0	1.48	1.47	1.93	1.53	.35	6.76
1923	65.8	574.9	1.51	1.73	1.93	1.39	.35	6.91
1924	61.3	621.5	1.42	1.86	1.80	1.48	.34	6.90
1925	59.7	689.6	1.37	2.05	1.77	1.44	.33	6.96
1926	59.2	761.2	1.39	2.21	1.75	1.42	.32	7.09
1927	57.8	815.8	1.35	2.38	1.64	1.33	.34	7.04
1928	56.3	878.6	1.34	2.50	1.57	1.28	.34	7.03
1929	56.2	977.1	1.31	2.77	1.50	1.27	.33	7.18
1930	50.4	972.1	1.18	2.73	1.35	1.32	.33	6.91
1931	45.4	914.7	1.08	2.58	1.18	1.46	.32	6.62
1932	37.6	829.8	.89	2.32	.97	1.54	.29	6.01
1933	36.6	890.0	.89	2.53	.91	1.52	.29	6.14
1934	38.5	994.0	.95	2.87	.91	1.52	.29	6.54
1935	39.5	1,057.9	.96	3.02	.90	1.49	.28	6.65
1936	42.1	1,196.2	1.03	3.41	.91	1.51	.30	7.16
1937	43.0	1,262.4	1.04	3.56	.89	1.44	.29	7.22
1938	41.0	1,261.4	.97	3.56	.82	1.53	.29	7.17
1939	42.1	1,317.8	.99	3.72	.78	1.53	.29	7.31
1940	42.2	1,369.2	1.02	3.88	.76	1.54	.29	7.49
1941[4]	44.8	1,552.0	1.09	4.39	.74	1.50	.30	8.02

Compiled from tax-paid withdrawals in the United States (including tax-paid withdrawals of tobacco products from the Philippine Islands and Puerto Rico) reported in monthly statements by the Commissioner of Internal Revenue, and July population. (See footnote 2 in table 16).

[1]This table on per capita consumption of tobacco products includes several revisions. Calendar year data 1900-1909 were derived by averaging adjacent fiscal-year data. Tax-paid withdrawals of products from the Philippine Islands and Puerto Rico are not available for these early years (1900-1909); imports from the Philippine Islands and shipments from Puerto Rico have been included in lieu of withdrawals.

[2]Pounds of cigars and cigarettes represent unstemmed equivalent of tobacco used in the manufacture of these products. Both large and small cigars and large and small cigarettes are included. Revised conversion factors have been used in determining unstemmed equivalent of leaf used in the manufacture of cigars and cigarettes, 1900-1921.

[3]Tax-paid withdrawals of manufactured tobacco have been separated into chewing tobacco and smoking tobacco in proportion to production of these two products.

[4]Preliminary.

Table 16. - *Consumption per capita of all tobacco products and industrial production per capita, United States, 1900-1941*

(Data for Neg. 24111 on front cover page)

Calendar year	Basic data			Chart data	
	Index of industrial production[1]	United States Population		Index of industrial production per capita (1935-39 = 100)[4]	Consumption per capita[5]
		Number[2]	Index (1935-39 = 100)[3]		
		Thousands			*Pounds*
1900	33	76,129	59.0	55.9	5.38
1901	37	77,749	60.3	61.4	5.51
1902	40	79,369	61.5	65.0	5.63
1903	41	80,990	62.8	65.3	5.82
1904	41	82,610	64.1	64.0	5.89
1905	48	84,230	65.3	73.5	6.02
1906	51	85,850	66.6	76.6	6.24
1907	52	87,470	67.8	76.7	6.22
1908	44	89,091	69.1	63.7	6.16
1909	53	90,711	70.3	75.4	6.58
1910	55	92,331	71.6	76.8	6.58
1911	53	93,812	72.7	72.7	6.39
1912	60	95,290	73.9	81.2	6.51
1913	63	97,198	75.4	83.6	6.63
1914	58	99,102	76.8	75.5	6.44
1915	64	100,579	78.0	82.1	6.43
1916	75	102,021	79.1	94.8	6.91
1917	76	103,467	80.2	94.8	7.33
1918	75	104,595	81.1	92.5	6.97
1919	72	105,159	81.5	88.3	6.84
1920	75	106,641	82.7	90.7	6.70
1921	58	108,716	84.3	68.8	6.34
1922	73	110,229	85.5	85.4	6.76
1923	88	112,109	86.9	101.3	6.91
1924	82	114,250	88.6	92.6	6.90
1925	90	115,953	89.9	100.1	6.96
1926	96	117,507	91.1	105.4	7.09
1927	95	119,125	92.4	102.8	7.04
1928	99	120,557	93.5	105.9	7.03
1929	110	121,832	94.5	116.4	7.18
1930	91	123,077	95.4	95.4	6.91
1931	75	124,039	96.2	78.0	6.62
1932	58	124,840	96.8	59.9	6.01
1933	69	125,578	97.4	70.8	6.14
1934	75	126,373	98.0	76.5	6.54
1935	87	127,249	98.7	88.1	6.65
1936	103	128,052	99.3	103.7	7.16
1937	113	128.823	99.9	113.1	7.22
1938	89	129,823	100.7	88.4	7.17
1939	108	130,878	101.5	106.4	7.31
1940	123	131,954	102.3	120.2	7.49
1941[6]	156	133,000	103.1	151.3	8.02

[1]Prior to 1919, these index numbers are computed by multiplying the long-time series of the Federal Reserve Board on a 1923-25 base by .88779 (.72 ÷ 81.1) to bring them into agreement with the published 1935-39 base, this .88779 being the percentage relation of the 1919 index of the 1935-39 base to the long-time series index for that year. [2]July 1 estimate of population. Figures for 1910-29 are estimates by P. K. Whelpton, Scripps Foundation for Research in Population Problems; 1900-1909 based on a straight-line interpolation between July 1, 1900 population from the Bureau of the Census and July 1, 1910 figure from Scripps Foundation; 1930-41, estimates of the Bureau of the Census. [3]Population divided by 1935-39 average. [4]Index of industrial production divided by index of population. [5]See table 15, page 25 of this publication. [6]Preliminary.

Flue-cured Tobacco: Supply and Price in the United States, 1920-41

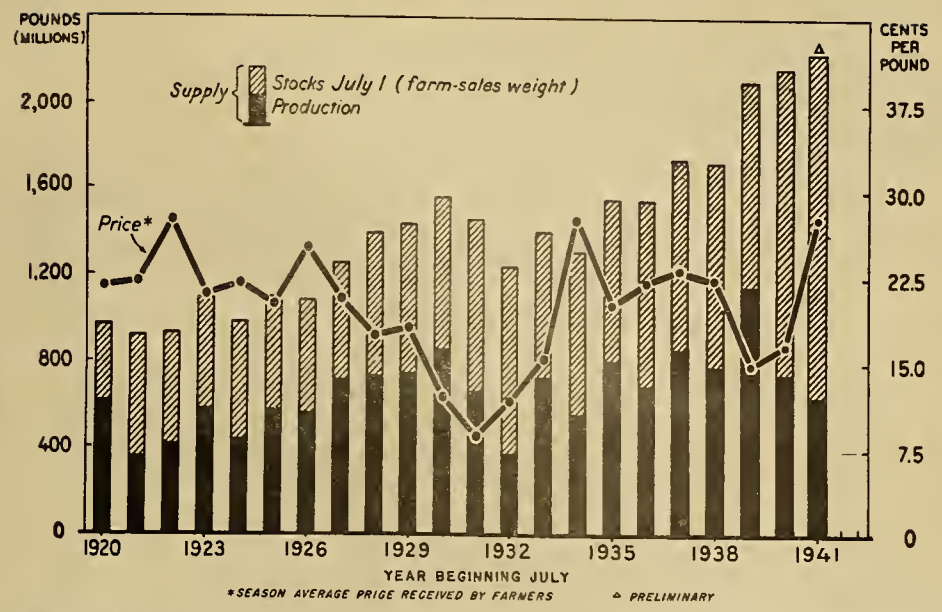

FIGURE 1

Burley Tobacco: Supply and Price in the United States, 1920-41

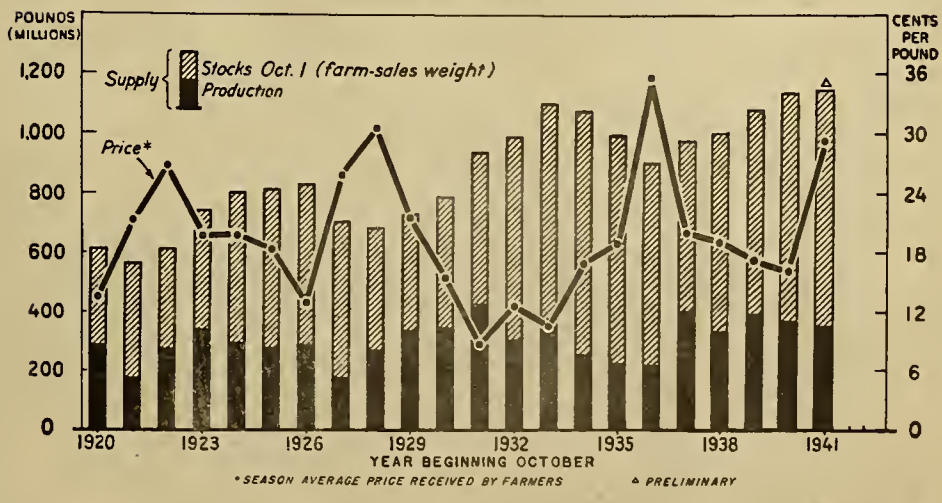

FIGURE 2

CHANGES IN THE SUPPLY OF FLUE-CURED OR BURLEY TOBACCO NORMALLY RESULT IN PRICE CHANGES IN THE OPPOSITE DIRECTION. THIS WAS TRUE IN MOST OF THE YEARS INCLUDED IN THESE CHARTS, BUT IN SOME YEARS THE EFFECTS OF SUPPLY CHANGES WERE OFFSET BY CHANGES IN GENERAL ECONOMIC CONDITIONS OR BY OTHER FACTORS.

THE LARGE SUPPLIES THIS SEASON WOULD NORMALLY HAVE DEPRESSED PRICES. THEIR EFFECT, HOWEVER, WAS MUCH MORE THAN OFFSET BY THE GENERALLY HIGHER LEVEL OF COMMODITY PRICES, THE HIGH RATE OF CONSUMPTION, AND THE OUTLOOK FOR AN EVEN HIGHER RATE ACCOMPANYING INCREASED CONSUMER INCOMES. THE LARGE PROPORTION OF THE 1941 PRODUCTION WHICH WAS GOOD QUALITY CIGARETTE LEAF WAS ALSO A FACTOR CONTRIBUTING TO HIGHER PRICES.

TOBACCO: CASH FARM INCOME, BY CLASSES AND TYPES, UNITED STATES, 1909-41

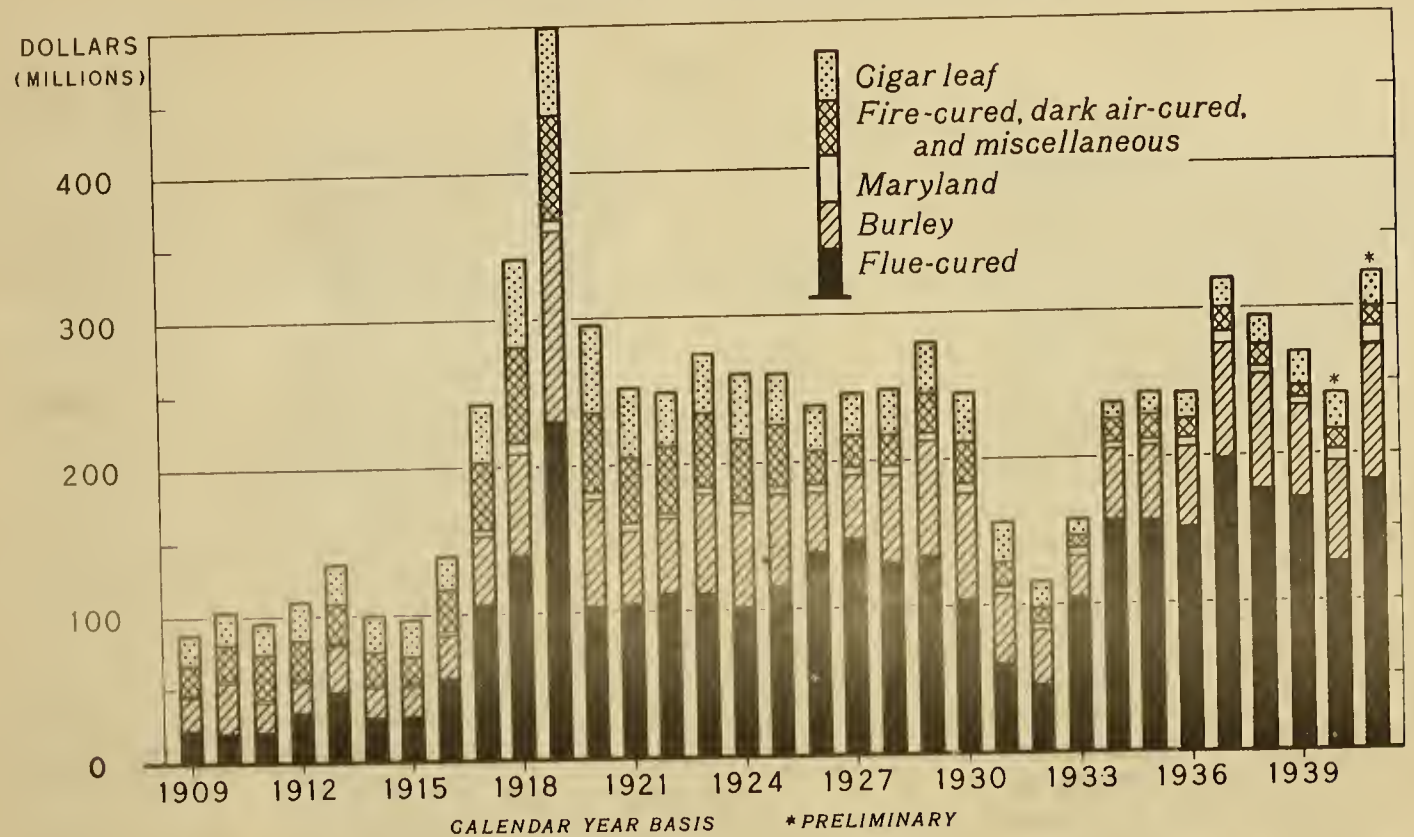

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FIGURE 3.- ACCORDING TO PRELIMINARY ESTIMATES, THE CASH FARM INCOME FROM TOBACCO TOTALED ABOUT 325 MILLION DOLLARS IN THE CALENDAR YEAR 1941. THIS WAS SLIGHTLY LARGER THAN IN 1937 AND THE HIGHEST SINCE 1919. THE 1941 CROP WAS COMPARATIVELY SMALL, BUT THE PROPORTION SOLD DURING THE CALENDAR YEAR WAS ABOVE NORMAL. HOWEVER, THE LARGER INCOME IS PRIMARILY THE RESULT OF GENERALLY HIGHER PRICES THAN IN MANY YEARS FOR THAT PORTION OF THE 1941 CROP (1940 CROP IN THE CASE OF MARYLAND) SOLD DURING THE CALENDAR YEAR. WITH TOBACCO PRICES SO MUCH HIGHER IN EARLY 1942 THAN A YEAR EARLIER, THE RETURNS TO FARMERS FOR THE 1941 CROP WILL BE MATERIALLY LARGER THAN IN ANY YEAR SINCE 1919 AND ALSO CONSIDERABLY LARGER THAN THE 1941 CALENDAR YEAR INCOME.